

CRSP/DSW Combined Transmission Service Rate

Customer Q&A

Questions received through August 27, 2020. Please send questions, comments or corrections to onerate@wapa.gov.

1. Will a consolidated rate also affect OASIS access, queues, and grid administration?

If WAPA proceeds with a consolidated rate, there will be necessary changes to various operational and administrative aspects. WAPA has focused on the mechanics of the rate to this point and the other aspects are part of the ongoing discussion.

2. Is WAPA also considering combining network transmission service or only point-to-point service?

WAPA's rate proposal would apply to both network transmission service and point-to-point service.

3. Will the combined rate eliminate pancaking between CRSP and DSW?

Yes. One of the purposes of the combined rate is to eliminate the impact of rate pancaking.

4. Will the proposed rate provide increased efficiency to WAPA, preference customers, or in SPP's WEIS?

The proposed rate is intended to improve internal efficiency and processes, as well as benefiting customers with stable transmission rates and improved market access, among other benefits. This proposed effort is not favoring any particular energy imbalance market.

5. What new service, value, or benefit will be created for existing customers?

The proposed rate is being examined to help remove barriers, improve the efficiency of transmission use and eliminate the impacts of pancaking. WAPA believes that improved efficiencies will also help improve access to various markets, which should benefit preference customers both directly and indirectly in terms of options to access market power.



6. How would combining the projects impact the cost of FES deliveries? Would energy and transmission in FES be bifurcated?

WAPA believes that increased efficiencies will help improve access to various markets and eliminate pancaking, which should benefit preference customers both directly and indirectly in terms of improving options to access power on the market. Bifurcating transmission and energy would depend on the provisions of the individual marketing plans and the associated firm electric service contracts.

7. Are there grandfathered transmission agreements that would not be subject to the combined rate?

Grandfathered agreements with specific stated rates would not be subject to the combined rate.

8. Would existing transmission service agreements need to be re-negotiated, converted upon date of termination, or automatically be subject to the combined rate?

It is likely some type of consideration will be given for contracts to be re-negotiated or converted.

9. Will Southern Division CRSP power customers still need to pay for Parker-Davis Project transmission service?

Southern Division CRSP customers will likely not pay for Parker-Davis Project transmission service. This delivery arrangement is unique, and WAPA considers it pancaked transmission service. WAPA intends to work closely with those customers on this aspect.

10. What is the long-term impact of a combined rate when a project is fully repaid?

The long-term impact is no different than current operations. Principal and interest are not the only components of the transmission revenue requirement; operation and maintenance as well as repayment of replacement and additions will continue to be collected by the transmission rate.

11. Would it be beneficial to build upon the existing WestConnect framework for the combined rate?

The WestConnect framework can be viewed as an early attempt at providing for a combined rate for improved access. WAPA would like to explore options for rate consolidation that are more complex, and more advantageous for customers, than what is currently provided by the WestConnect framework.



12. Will projects operating from different funds cause complications?

WAPA will be able to accommodate projects that use different funds without significant administrative burden.

13. Will customers be invited to participate in the workgroups to develop the combined rate?

WAPA encourages customers to participate in workgroups. WAPA is interested in customer ideas and encourages feedback and suggested alternatives.

14. Will WAPA analyze the impact of eliminating transmission pancaking?

WAPA has considered the impact of eliminating pancaking. There are some 200 MW of pancaking that would be eliminated. However, without the barriers of pancaking, there may be additional transmission sales. It is difficult to determine what interest there may be in a combined system, other than informed guesses and speculation, but we believe there will be interest to improved access across a broad geographic area.

